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SUBJECT: QATAR MOVES FORWARD ON GAS TO LIQUID INNOVATION

REF: A. DOHA 604
[B.](#) DOHA 458

(U) KEY POINTS

-- In mid-October, Qatar witnessed the opening of the control room for an 18-billion dollar gas-to-liquids (GTL) plant called the Pearl and saw a Qatar Airways A340-600 commercial flight powered for the first time by GTL kerosene.

-- Coinciding with these achievements, the Qatar Science and Technology Park signed agreements with a handful of entities, including Shell and the Qatar campus of Texas A&M University, to enhance and develop GTL fuel production.

-- According to Qatar's Minister of Energy, Qatar hopes to become the world's largest producer of GTL kerosene by 2012.

(SBU) COMMENTS

-- Qatar's GTL accomplishments to date and future plans underscore the potential here for collaborative and successful research aimed at developing alternative fuels and technologies.

-- The combination of outstanding educational institutions and high-powered companies brought together under the umbrella of the Qatar Science and Technology Park demonstrates the desirability of establishing in Qatar additional U.S. partnerships consistent with the President's outreach to the Muslim world (Refs A & B).

End Key Points and Comments.

[11.](#) (SBU) Simon Buerk, communications manager for Shell Service Company in Qatar, told P/E Chief Rice October 20 that the revenue from the Pearl project, once it is fully operational, will generate a profit in the early stages that Shell will split with Qatar Petroleum (QP).

[12.](#) (SBU) According to Buerk, the Pearl GTL facility will produce kerosene, GTL-based oil, diesel and sulfur for sale in Qatar and abroad. Asked about long-term contracts, the communications manager said Shell would seek to enter into them "product by product," but he declined to estimate what contracts might be on the horizon.

[13.](#) (U) Shell and local officials have touted the Pearl project in press reports as "positioning Qatar as the GTL capital of the world." The facility, when fully on-line in 2012, is expected to produce 140,000 barrels per day of clean liquid transport fuel and 120,000 barrels of oil equivalent per day of natural gas liquids and ethane.

¶4. (U) The central control room for the facility that was inaugurated October 13 by Energy Minister and Deputy Prime Minister Abdullah bin Hamad Al-Attiyah contains four large banks of high-powered computers hosting 179 servers. Every part of the plant is linked to the control room by 5,850 kilometers of underground cable.

¶5. (SBU) Shell, according to Buerk, projects that the overall Pearl project will open in late 2010. Deputy Prime Minister Al-Attiyah told the press that project revenues should reach close to 100 billion USD over the expected 25-year lifetime of the project. He added that the construction of the Pearl has created 48,000 jobs on the construction site alone and that by 2012 Qatar hopes to become the world's largest producer of GTL kerosene.

QATAR AIRWAYS FLIGHT POWERED BY GTL

¶6. (U) The October 12 flight of the Qatar Airways A340-600 commercial jet, flown by Qatari pilots, flew from Doha International Airport to London Gatwick with a delegation of dignitaries on board, according to press reports. Powered by Rolls-Royce Trent 556 engines fueled by a 50-50 mixture of synthetic GTL kerosene and conventional oil-based kerosene produced by Shell, the unprecedented flight coincided with two agreements in the fields of science and technology signed October 13 by the Qatar Science and Technology Park (affiliated with the Qatar Foundation), the University of Texas A&M-Qatar, the University of Sheffield, Shell,

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Rolls-Royce, and the German Center for Space Science.

¶7. (U) According to a press release from the Science and Technology Park, the first agreement aims to evaluate and assess the physical properties of GTL fuel for aircraft. The second agreement seeks to identify the characteristics that optimize GTL fuel combustion.

LeBaron